House Natural Resources Committee

01.28.2026 Meeting Minutes

House Committee Recording

Chair Debra Heffernan called the meeting to order. *Time Stamp: 4:18pm*

Members present:
Rep. Heffernan, Chair
Rep. Phillips, Vice-Chair
Rep. Berry
Rep. Burns
Rep. Bush
Rep. Collins
Rep. Carson
Rep. Gray
Rep. Griffith
Rep. Hilovsky
Rep. Lambert
Rep. Postles
Rep. Snyder-Hall
Rep. Vanderwende

Chair Heffernan introduced Agenda Item No. 3: **SB210, AN ACT TO AMEND TITLE 26 OF THE DELAWARE CODE RELATING TO PUBLIC UTILITIES.** *Time Stamp: 4:21 pm.*

SB 210, sponsored by Sen. Hansen, Chair Heffernan, Rep. Burns, and Rep. Morrison, would amend Title 26 of the Delaware Code's definition of a "community-owned generating facility" by additionally requiring that the point of interconnection for the facility must be located within the service area of a utility regulated by the Public Service Commission. Chair Heffernan, the bill's House sponsor, explained that the Act is designed to ensure that community-owned solar arrays are located within a single utility, as oversight issues arise when they are divided among multiple utilities.

Rep. Gray requested an example of a community-solar array split between multiple utilities. Chair Heffernan provided an example between Delmarva and the Delaware Electric Cooperative or Delaware Municipal Electric Corporation, affirming that the point of interconnection serves as the determining factor for utility regulation. Rep. Gray inquired whether the entirety of the development must be located under a single utility. Chair Heffernan responded no, reiterating her previous statement.

Rep. Collins questioned whether a community-owned solar facility would have to be located within Delmarva since cooperative operations are not regulated by the Public Service Commission. Chair Heffernan denied that these facilities would have to be located in Delmarva's service area, then asked Rep. Collins to clarify his question. Rep. Collins read the synopsis of the bill and asked whether the stipulation, which notes the utility will be regulated by the Public Service Commission is reflected in the complete text of the bill. Chair Heffernan called on expert witness Matt Hartigan, Executive Director of the Delaware Public Service Commission. Matt Hartigan explained that this bill applies only to Delmarva customers. Rep. Collins questioned whether the bill would serve as a constraint to cooperative operations. Matt

Hartigan responded that it does not, stating the objective of this bill is to allow for more medium-sized solar developments to be located within the state, but it only applies to Delmarva, since the Public Service Commission does not regulate cooperative operations.

Chair Heffernan opened floor for public comment. *Time Stamp: 4:25 pm.*

Members of the public who voiced support for this bill were Caroline Belmont and Zac Meyer.

A motion was made by Rep. Phillips and seconded by Rep. Burns to release SB 210 from committee; the motion carried. Yes= 14 (Heffernan, Phillips, Berry, Burns, Bush, Carson, Griffith, Lambert, Snyder Hall, Collins, Gray, Hilovsky, Postles, Vanderwende); No= 0; Absent= 0. The bill was released from committee with a F= 4, M= 10, U= 0 vote.

Chair Heffernan introduced Agenda Item No. 2: **HB 269, AN ACT TO AMEND TITLE 26 OF THE DELAWARE CODE RELATING TO NET-METERING AND INTERCONNECTION RULES.** *Time Stamp: 4:32 pm.*

HB 269**,** sponsored by Rep. Burns, amends Title 26 of the Delaware Code's net-metering and interconnection rules. This amendment requires that electric suppliers model their interconnection rules, specifically those related to net-metering, after the latest available version of the Interstate Renewable Energy Council's Model Interconnection Procedures, within 12 months of its most recent publishing date. The primary objective of this bill is to improve waiting times for the interconnection of renewable energy projects. Bill sponsor, Rep. Burns, informed the committee that an amendment is forthcoming, however, was not released prior to the meeting. It adds clarifying language and stipulates that the utility's regulatory body may enact timeframes, checkpoints, and penalties in accordance with this bill.

Rep. Collins questioned who will be held responsible for the administration and enforcement of the law. Rep. Burns responded that enforcement will be the responsibility of the corresponding regulatory body for each utility. Rep. Collins questioned if there is an issue with enforcement currently. Rep. Burns answered that the lengthy timeframe for interconnection has given Delaware a bad reputation in regard to the implementation of renewable projects.

Chair Heffernan opened the floor for public comment. *Time Stamp: 4:37 pm.*

Members of the public Dustin Thompson, Robert Bullock, Diana Bielecki, and Vaughan Woodruff voiced their support for this Act.

Member of the public Anne Farley voiced concerns for the bill given the lack of time to review the amendment raised.

Rep. Collins questioned whether the stipulation to require the utility's regulatory body to conduct a formal review prior to approval would improve the efficiency of project permitting as the bill intends. Rep. Burns clarified that this procedure refers only to those projects seeking exception to the law. Rep. Collins proposed that an amendment of such significance should be allotted more time for research and review prior to a vote. Chair Heffernan inquired whether the sponsor of the bill would commit to communicating with stakeholders and representatives to resolve existing uncertainties with the proposed amendment. Rep. Burns responded strongly in the affirmative.

A motion to release the bill from committee was made by Rep. Phillips and seconded by Rep. Lambert; the motion carried. Yes = 9 (Heffernan, Phillips, Berry, Burns, Bush, Carson, Griffith, Harris, Lambert, Snyder Hall); No= 5 (Collins, Gray, Hilovsky, Postles, Vanderwende); Absent= 0. The bill was released from committee with a F= 1, M= 8, U=0 vote.

Chair Heffernan introduced Agenda Item No. 1: **HB 233, AN ACT TO AMEND TITLE 26 OF THE DELAWARE CODE RELATING TO LARGE ENERGY USE FACILITIES**. *Time Stamp: 4:51 pm.*

HB 233, sponsored by Rep. Burns, Chair Heffernan, and Sen Hansen, establishes the requirement for utilities to design an additional rate class for facilities with large energy demands, specifically targeting prospective data centers. The purpose of this rate is to ensure that the expected negative impacts of these facilities, that is, increased electricity costs and decreased reliability, are not burdens borne entirely by residential, small commercial, or other electric customers. The Public Service Commission will be expected to consider a rate application based on the following parameters: 1. Whether the rates will result in increased rates for other retail electricity customers. 2. Whether the rates will result in equitable benefits to the grid's efficiency, reliability, and resiliency. 3. Whether the rates will have adverse impacts on the utility's ability to integrate renewable energy resources or reduce greenhouse gas emissions, per state policy. 4. Whether the rates will hinder facilities from entering contracts or procuring renewable energy resources in alignment with state renewable integration goals and greenhouse gas emission reduction policy. 5. Fulfill any conditions required by the Commission in the public interest. HB 233 provides an effective date upon enactment, requiring all regulated utilities to submit an application to enact rates consistent with this Act within 180 days of the effective date. Rep. Burns introduced a forthcoming amendment to the committee that included long-term financial commitments for large energy use facilities, ensuring that investments in infrastructure buildout are not undertaken only for firms to subsequently relocate.

Rep. Collins posed a question about Line 46 of the Act, wondering whether Delaware is currently meeting renewable energy targets. Rep. Burns responded that he is unsure. Rep. Collins asserted that the state is only generating 5% of its energy from wind and energy resources, while the state target is 23%. He claimed that the proposed bill would effectively impede large generation facilities from consideration under this line's stipulation. Rep. Burns denied this claim, noting that there are several means of meeting targets other than direct generation.

Rep. Collins brought forward a study from Lawrence Berkley National Laboratory, reporting that increased load growth, at the state-level, has the tendency to depress retail electricity prices, as of the past five years. He stated his concerns with the accelerated rate of passage of bills by the Delaware legislature, saying that there is often unresolved ambiguity surrounding bills, which require more research, especially in the case of this Act. He also raised concerns about the potential opportunity costs of lost revenue and job creation that this bill may result in. Rep. Burns responded that the state of Delaware's absence of a sales tax and that exemption of business personal property from property taxes makes location within the state viable. He expressed that the argument that developers will relocate is without substance. Rep. Burns continued with a current example of the existing power line capacity being unequipped to meet the load of the proposed data center in New Castle County while effectively supplying the remainder of the state. Rep. Collins questioned why other states have approved data center development. Rep. Burns responded that some states are in fact removing the tax breaks previously provisioned for data centers, as they have not generated the expected economic returns. Rep. Collins reiterated that the debate should not take place within the committee, stating that Delmarva will deny data center development if the infrastructure is unable to support it at its current capacity. Rep. Burns stated that the utility is unable to do so.

Rep. Hilovsky brought up the one million dollars of annually generated tax revenue from Loudoun County, Virginia, the resulting job growth, and additional economic benefits associated with data center development. Rep. Hilovsky stated that from a business owner's perspective, any restriction on data centers would reduce viability for future establishment in Delaware. Rep. Hilovsky questioned whether the restrictive nature of the bill would have negative financial impacts on the residents of Delaware as a whole. Rep. Hilovsky reiterated Rep. Collin's request for more time allotted for research, review, and debate on the issue.

Rep. Vanderwende inquired whether any developments within the state are currently using the amount of power equivalent to or greater than the proposed data center. Rep. Burns responded no, and that perhaps the Delaware Refinery is the largest electricity user, but its consumption is still significantly less than the proposed data center in New Castle County. Rep. Vanderwende asked whether the refinery generates its own power. Rep. Burns answered that he is unsure of the degree to which this facility generates its own energy and stated that the bill would not apply to it, as the language is designed to specifically target data centers. Rep Vanderwende questioned if a business requires a load exceeding current infrastructure capabilities, why is the state not responsible for infrastructure expansion. Rep. Burns explained that the expected increase in load demand will intensely strain or even exceed the state's infrastructure capacity, which will lead to increases in congestion pricing. Though unsure of the degree to which ratepayers' bills would increase, Rep. Burns stated the possibility that there will be no impact on their bills at all cannot be excluded. Rep. Burns restated that this was a central point of the bill, to protect the ratepayers. Rep. Vanderwende questioned whether a developer who wishes to generate their own power would be prevented from locating within Delaware. Rep. Burns responded that in his opinion, islanded data centers would in fact be ideal for developers, citing Bloom Energy as an ideal facilitator for the energy needs of the proposed data center. Rep. Burns repeated that the costs of an increased load should be distributed accordingly, based on who imposed the heightened electricity demands.

Chair Heffernan voiced support for this bill. Chair Heffernan stated that Delawareans are excited for the economic opportunities expected from a data center's location in Delaware but raised concerns on the expected growth in ratepayers' electric bills, citing one estimation that Delmarva customers' bills could experience a $70 increase to their monthly bill following the development of the proposed data center in New Castle County. Chair Heffernan emphasized the necessity to safeguard ratepayers' bills while promoting economic development.

Rep. Collins asked an artificial intelligence model whether Delmarva is required to provide power to data centers, and began to provide its response to the committee. Rep. Snyder-Hall asked for a point of order, stating that expert witnesses may be better fit to answer the questions that the committee members may have.

Chair Heffernan inquired whether Rep. Burns had an expert witness to answer committee questions. Lisa Oberdorf, Delmarva Power Representative, was called forward. Lisa Oberdorf stated that the utility has a basic obligation to serve in New Castle County. Rep. Burns asked whether Delmarva could refuse a proposal. The witness answered that they would not be able to deny a proposal; they would have to determine a course of action. Rep. Burns asked whether a data center with the expected capacity of the facility in New Castle County would cause problems. Lisa Oberdorf stated that a determination of that nature would be on a case-by-case basis.

Rep. Collins asked the witness whether a facility with load demands exceeding current capacity would be approved by the utility. Lisa Oberdorf responded that additional generation or grid infrastructure upgrades would be implemented to accommodate the need. Rep. Collins asked whether significant time and debate would be required. Lisa Oberdorf answered that this could be the case. Rep. Collins suggested that in such a scenario, those who are experts and have a financial stake in the proposed development would be responsible for the decision making. The witness replied that the decision would be between the utility, regulatory body, and Pennsylvania-New Jersey-Maryland (PJM) Interconnection.

Rep. Hilovsky asked whether it is reasonable to think that infrastructure will expand in the future to meet growing electricity demands. Lisa Oberdorf responded that she cannot predict the future, but yes, it is reasonable. Rep. Hilovsky concluded that therein lay his hesitation to support the proposed bill.

Rep. Burns asked a clarifying question to Lisa Oberdorf as to whether Delmarva can deny a new project based on expected increases to ratepayers' bills. The witness answered that there is no

protection in place to prevent an increase in ratepayers' bills due to increased load demands. Rep. Burns reiterated his message on the purpose and major arguments for the bill.

Rep. Berry sought clarification on the stipulations and intent of the bill, asking whether this bill simply calls for the consideration of all of its provisioned parameters in the decision-making process. Rep. Burns affirms this statement. Chair Heffernan asked whether the bill applies to the entirety of the rate class of large-scale energy users rather than it being on a case-by-case basis. Rep. Burns confirmed that the bill applies to the entire rate class.

Rep. Gray questioned if new infrastructure is needed to supply a large-scale data center, could residents expect lower pricing on their bills as a result of the improved grid. Rep. Burns raised the example of the state of Texas in response, stating that as they operate their own grid, they have implemented more restrictions on data center development than Delaware currently does. Rep. Burns then cited a Bloomberg Technology study that found that wholesale electric pricing of areas near data centers have experienced rate increases of 276% over the past five years. Rep. Burns stated that he believes this to be the result of the data centers' impact on congestion pricing, which will be especially prevalent in Delaware, due to its geography. Rep. Burns reiterated that this bill addresses the issue of affordability, not reliability.

Rep. Postles stated that this bill will not resolve the generation challenges the state of Delaware faces, claiming that more discussion is necessary. Chair Heffernan states that this bill is not designed to address those additional issues.

Chair Heffernan opened the floor to public comment. *Time Stamp: 5:35pm.*

Members of the public Peggy Schultz, Marissa McClenton, Dustin Thompson, Richard Trask, Dale Swain, Christopher Jameson, Ligia Aceves, Diana Bielecki, Robert Bullock, Tabitha Earls, and Jon Euston voiced their support for this bill.

Members of the public Mark Willis and Anne Farley voiced their opposition for this bill.

A motion was made by Rep. Griffith and seconded by Rep. Phillips to release HB 233 from Committee; the motion carried. Yes= 11 (Heffernan, Phillips, Berry, Burns, Bush, Carson, Griffith, Lambert, Snyder Hall, Postles, Vanderwende); No= 3 (Collins, Gray, Hilovsky); Absent= 0. The bill was released from committee with a F=5, M=5, U=0 vote.

Chair Heffernan adjourned the meeting at 6:03 p.m.

Respectfully submitted by,
Nicole Berube.

Attendance List

- Matt Hartigan, Executive Director of Public Service Commission
- Caroline Belmont, Community Solar, Business Development Manager TurningPoint Energy
- Zac Meyer, Director of Development at Soltage LLC
- Dustin Thompson, Chapter Director of the Sierra Club Delaware Chapter
- Anne Farley, Board President First State Community Action Agency
- Lisa Oberdorf, Delmarva Power
- Robert Bullock
- Diana Bielecki
- Ligia Aceves
- Vaughan Woodruff, Equinox DG Consultants Maine
- Peggy Schultz, Representative of League of Women Voters of Delaware
- Marissa McClenton, Environmental Justice Associate Organizer for the Sierra Club Delaware Chapter

- Richard Trask, Volunteer Chair of the Political & Legislative Committee of Sierra Club Delaware Chapter
- Dale Swain, Citizens Alliance for Responsible Land Use
- Martin Willis
- Christopher Jameson
- Mark Willis
- Tabitha Earls
- Jon Euston, Board Member of the Delaware Audubon Society

Public comment through submission to HouseCommitteeComment@delaware.gov on HB 233.

Submitted by Susan Downes, Newark resident.

Hello, my name is Susan Downes, I am a resident of Newark, and I am in support of HB233.

Just as we have zoning codes that are to regulate land usage, we should have the ability to create a special rate class for modern technologies use of the electric power grid. The advent of the Mega Data Center business is putting a tremendous strain on energy resources, and the investors and developers need to be held accountable for their own energy demands and costs.

I support the advocacy of HB233, that seeks to create a special rate class for the high energy multi-trillion-dollar industry that can certainly afford to pay its share.

Thank you for the opportunity to contribute comment.

Public comment through submission to HouseCommitteeComment@delaware.gov on HB 233.

Submitted by Ligia Aceves.

I am in favor of passing HB 233

My name is Ligia Aceves and I live in New Castle County. I am writting to urge you to support and vote 'yes' on House Bill 233.

As Delaware faces a surge in high-density data center proposals, we must ensure that Big Tech pays its own way. These facilities require massive upgrades to our electric grid and consume enormous amounts of energy. Without the protections in HB 233, the billion-dollar cost for these infrastructure upgrades will be shifted onto the monthly bills of everyday Delaware families and small businesses. This bill is a common-sense safeguard that requires large energy users to pay their fair share for the infrastructure they require, rather than reaping massive profits at the expense of local ratepayers. Please stand with your constituents and protect our utility rates by supporting HB 233. Thank you."

Public comment through submission to HouseCommitteeComment@delaware.gov on HB 233.

Submitted by Michael McDowell, Former PSC Intervenor in the precedent case or Tidewater.

Legal and economic battle occurring with the PJM Interconnection , Exelon, Constellation, Delmarva Power and the electrical grid covering 13 states and D.C.).

As of late 2025 and early 2026,

Here is a breakdown of the current state of these "PJM, Exelon, and Constellation market failure" and the regulatory responses they have triggered.

The "Wealth Transfer" and Price Spikes

The $16.6 billion figure originates from reports by Monitoring Analytics (PJM's Independent Market Monitor). In the 2025/2026 and 2026/2027 capacity auctions, prices hit the FERC-mandated price caps in several regions.

The Mechanism: Because supply is "inelastic" (cannot grow quickly due to the interconnection queue backlog), the entry of massive new demand from data centers moves the price straight up the vertical supply curve to the maximum allowable cap.

The Impact: This creates a "windfall" for existing generators who are paid "shortage prices" for power they were already producing, while residential customers see their bills rise by an estimated 1.5% to 5% solely to cover these capacity costs.

The "Queue Clog" as a Market Barrier

A truly competitive market requires "low barriers to entry." However, the PJM interconnection queue has historically held over 200,000 MW of mostly renewable projects.

PJM is operating an "artificial monopoly" because high prices aren't attracting new supply—they are just rewarding the few players who are already "inside the fence."

The Regulatory Shift: In late 2025, FERC issued orders (such as those in the EL26-30 and related "Show Cause" proceedings) requiring PJM to overhaul how it handles "co-located" load (data centers sitting next to power plants).

The "Demand Monopoly" and Secret Contracts

The theory of a "union of corporate power" between utilities and Big Tech centers on how infrastructure is funded:

Socialized Costs: Under current "cost-of-service" regulation, if a utility builds a $5 billion transmission line to serve a new data center cluster, that cost is often rolled into the "rate base" and shared by every grandma and small business in the territory.

Confidentiality: Large Load Additions (LLAs) often involve "Letter of Intent" agreements that are shielded from public view, preventing consumer advocates from seeing if tech firms are paying their fair share of the "Network Upgrade" costs.

Comparison of Market Design Critiques

ELCC ————————-deceptively shrinks supply to drive up prices ————————-sweating intermittent power

DATA Center Growth————————speculative hollow demand creating false urgency

Demand Response ————————————a hollow resource that lacks strict must offer rules

High Prices————————————a wealth transfer because the queue prevents building

Latest Regulatory Action (January 2026)

As of this month, the FERC Docket EL26-30 is one of the most-watched cases in energy law. The Market Monitor is explicitly asking for:

A "Large Load Queue": Forcing data centers to wait in line just like power plants do.

Matching Generation: Requiring any load over 75 MW to prove they have brought a new supply to the grid before they are allowed to plug in.

Financial "Upfronting": Shifting the billion-dollar cost of grid upgrades from the "captive ratepayer" to the tech company shareholders. Big Tech Data Centers shall pay for their own generation capacity or pay up front for the State to build the generating capacity along with all auditable expenses for Transmission infrastructure upgrades and connections including battery back up, & voltage regulators .

Exelon and Delmarva needs to build a micro grid for reliability and efficiency which Data Centers should help pay the cost of the upgrades. Instead of putting in poles and collecting a 10% rate of return the micro grid would be a true modernization of the grid and transmission infrastructure in Delaware .

The state can authorize the building of solar and turbine generating capacity power plants on school roofs . According to estimates they represent roughly 10 GWs of generating capacity of supply .

There are more options but sanctions and placing PJM , Exelon and Delmarva Power under supervision to modernize is needed in order to address the market design failures and artificially created inelastic supply and wealth transfer associated with socializing costs while privatizing profits .

Michael L McDowell
4988 Kkrkwood St Georges Road
Bear, DE 19701
302 740 3935
mmacdowell1968@gmail.com
Former PSC Intervenor in the precedent case or Tidewater
Former voting member of the Water Supply Coordinating Council
Former voting member of the Governor's planning Council
Former College Instructor and Professor of the University of Delaware and Bulgarians Coalition School of Economics and Business at Administration at the Sofia Institute of Economics
Former President of the Civic League for New Castle County

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Thank you for the opportunity to contribute comment.

TurningPoint Energy
development - advisory - investment

Representative Debra Heffernan
411 Legislative Ave
Dover, DE 19901
Debra.Heffernan@delaware.gov

January 28, 2026

Senator Stephanie Hansen
411 Legislative Ave
Dover, DE 19901
Stephanie.Hansen@state.de.us

RE: Support for SB210, an act to amend Title 26 of the Delaware Code Related to Public Utilities

Chair Heffernan and Members of the House Natural Resources & Energy Committee:

TurningPoint Energy ("TPE") is a leader in community solar development, having developed more than 5 gigawatts (GW) of solar projects operating in the U.S. Formed in 2014, TPE is a privately held, independent company transforming our energy future by creating freedom to choose a smarter, cleaner, more flexible way forward through community solar. TPE has been active in the Delaware market since its inception and has over 20 projects in various stages of development, either energized or planned to be energized, which are projected to benefit over 17,000 customers.

This bill would, through a minor but necessary clarification to the definition of a Community Energy Facility, eliminate the confusion around that definition which has put multiple projects at risk. There are currently at least 10 projects, several of which have been developed by TPE and are years into the development process, which have been stalled by this confusion and are at risk of not moving forward.

As originally written, the definition of a "community-owned energy generation facility" ("CEF") specifies that the facility must be located within the service territory of a utility under the regulation of the Public Service Commission ("PSC"). That currently applies only to Delmarva Power and Light ("DPL").

Initially, this definition was interpreted to mean all electrical equipment must be within DPL territory. In the case of a parcel which is bisected by DPL and another utility's boundary lines, a CEF could only be built on the DPL portion of that parcel under that interpretation. More recently, the definition has been interpreted to mean the entire parcel must be within DPL territory. In the previous example, the entire parcel would then be ineligible for development of a CEF. Finally, under the language proposed in SB210, the whole of the parcel would be eligible as long as the project is able to connect electrically to DPL-owned infrastructure.

This bill provides a necessary clarification which will ensure the 10+ projects referenced are able to move forward and add much needed clean energy to the Delaware grid while providing savings to subscribers. TPE applauds Chair Heffernan and Senator Hansen for their leadership on this bill, and strongly supports SB210 as written.

Thank you,

Caroline J Belmont

Caroline Belmont
Manager, Business Development
TurningPoint Energy

January 28, 2026

Chair Debra Heffernan
House Natural Resources & Energy Committee
411 Legislative Avenue
Dover, DE 19901

RE: Support for HB 269, An Act to Amend Title 26 of the Delaware Code Relating to Net-Metering and Interconnection Rules

Chair Heffernan, Vice Chair Phillips, and honorable members of the House Natural Resources & Energy Committee,

My name is Vaughan Woodruff and I am writing to testify in support of HB 269, An Act to Amend Title 26 of the Delaware Code Relating to Net-Metering and Interconnection Rules. Prior to serving as principal of EquinoxDG, a Maine-based consulting firm that is focused on accelerating access to distributed power through the interconnection of distributed energy resources (DERs), such as solar, energy storage, and electric vehicles, I was the Vice President of Regulatory Reform for the Interstate Renewable Energy Council (IREC). In that capacity, I led IREC's participation as an intervenor in the Public Services Commission Staff Petition related to interconnection challenges with the state's community solar program in Docket # 24-1012.

IREC is a 501(c)(3) nonprofit organization that serves as a public interest intervenor in front of state utility regulatory commissions across the country and has maintained model interconnection procedures since 2005. IREC's unique expertise in interconnection regulation has been recognized by the state of Delaware since 2007, when the 144th General Assembly of this legislature amended the Delaware Code to require the state's interconnection rules be based on the work of IREC and the National Association of Regulatory Utility Commissioners (NARUC).

Delaware's history with interconnection regulation demonstrates the central role of the state legislature in driving interconnection policy. When the federal Energy Policy Act of 2005 was passed, Delaware did not have any formal interconnection regulations for DERs. The Energy Act encouraged states like Delaware to consider adoption of interconnection procedures that were aligned with best practices by 2007. By 2007, the PSC had not yet opened such a proceeding and thus the interconnection process continued to be left to the discretion of the utilities. When the Delaware legislature expanded its net metering program in 2007 through Senate Substitution 1 for Senate Bill 8, it provided clear requirements in Delaware Code that the utilities develop interconnection rules aligned with IREC's *Model Interconnection Procedures*.

Yet it wasn't until 2011, following further expansion of the state's net metering program by the Delaware legislature in 2010, that the PSC finally required Delmarva to adopt interconnection standards that complied with Delaware Code. IREC actively supported the PSC and Delmarva in that effort, which leveraged Maryland's interconnection standards to streamline the adoption process in Delaware. The final interconnection standards adopted in 2011 are aligned with IREC's original *Model Interconnection Procedures* published in 2005 and ranked among the best in the country when adopted. I have attached a

vwoodruff@equinoxdg.com (207) 487-1005 equinoxdg.com

feature on Delaware from the 2011 edition of *Freeing the Grid* that highlights Delaware's important progress at that time.

The 2005 model rules upon which Delaware's Interconnection Standards are based were not built for the size and scale of DERs seeking to interconnect to Delaware's grid today. Recognizing this, IREC has updated their *Model Interconnection Procedures* four times since with the most recent edition published in 2023. During this same period, Delaware's Interconnection Standards *have not been updated once*. The utility's reliance on procedures that reflect best practices from 2005 has directly contributed to the failed rollout of Delaware's community solar program. For further details on the deficiencies of Delmarva's standards and their impact on the state's community solar program, I have attached comments I authored while still with IREC that were submitted on December 31, 2025 in PSC in Docket #24-1012.

The public benefit and market impacts of Delaware's failure to update its interconnection procedures substantiates the need for this legislation. Were Delmarva willing to exceed its interconnection standards in practice, perhaps Delaware's community solar program would be workable, the PSC's role as regulator would be easier, and legislative intervention would not be needed. This clearly is not the reality. By October 2024, three years after the legislature created the state's current community solar program and with more than 200 prospective projects having applied for interconnection, Delmarva had placed *zero* new projects into service. Delmarva knew this was problematic; the PSC Staff made that clear by opening a formal proceeding. And yet by October 2025, four years after community solar legislation was passed and a year after the PSC Staff opened its interconnection investigation, Delmarva had interconnected only a single project.

Many parties, rightfully so, are frustrated with Delmarva's interconnection performance. But, to be clear, ***the underlying problem Delaware is experiencing is that it does not have the adequate, enforceable interconnection procedures needed to hold Delmarva accountable for these delays***. To the contrary, the state's current interconnection procedures do not indicate that Delmarva's delays are violating any regulations. HB 269 seeks to correct this deficiency.

The outcome of the PSC process for addressing these challenges also demonstrates the need for this legislation. For a year, the PSC relied upon negotiations between Delmarva and the Coalition for Community Solar Access to improve Delaware's Interconnection Standards. The PSC took no active role in directly facilitating the negotiations, and the process unsurprisingly resulted in proposed changes that are incremental improvements that fail to serve the public interest. A striking example is language that would address the lack of utility timeline requirements in the current interconnection standards by codifying timeline requirements that would provide Delmarva with *up to 14 months* to review an individual community solar project. This is more than twice the timeline allowed under IREC's *Model Interconnection Procedures*.

Updating Delaware Code to ensure that utility interconnection procedures are frequently updated based on IREC's *Model Interconnection Procedures 2023* helps to rectify the lack of modernization of Delaware's Interconnection Standards since 2011 and addresses the real impacts this reactive approach has on the state's energy priorities. IREC's *Model Interconnection Procedures 2023* synthesize the best practices used by utility regulators across the U.S. for regulating DER interconnection. All of the provisions in this resource have been argued in front of state utility commissions and adopted following deliberations by those bodies. The purpose of the *Model Interconnection Procedures* is to provide states like Delaware with access to regulations that can streamline modernization of interconnection procedures. As noted earlier in my testimony, Delaware already relied upon IREC's work to adopt its current interconnection standards. Since

Delaware Code doesn't contemplate the need to update these standards, this bill seeks to clarify that need.

Some may question whether there might be another comparable resource that Delaware can use to update its interconnection standards. There is not. This is a stark contrast to 2011, when Delaware was originally developing its interconnection standards. At that time, there were four recently developed models to leverage, including IREC's, one from NARUC, one from FERC, and one from MADRI, a regional consortium of which Delaware's PSC was a member. It is telling that Delaware explicitly named IREC's *Model Interconnection Procedures* at a time when there were several from which to select, including one that had been developed by an initiative that included the Delaware PSC. IREC's work was singled out in Delaware's 2007 legislation and in current Delaware Code because of its approach of aggregating national best practices.

IREC continues to serve as the national leader in model interconnection procedures. NARUC hasn't published its model interconnection procedures since 2003, MADRI no longer exists, and FERC hasn't substantively updated its Small Generator Interconnection Procedures since 2013. Meanwhile IREC's most recent update was in 2023 and there are tentative plans for an update in 2026.

Having been involved in interconnection proceedings in numerous states and territories across the U.S., I would not be surprised to hear Delmarva representatives contend that this bill will require the utility to move too fast to amend its current practices. The consensus changes agreed to by the utility in the recent PSC proceeding demonstrate Delmarva's lack of ambition and confidence in being able to adapt to Delaware's market and be the strong facilitator that the state needs to advance its energy goals. Delmarva is capable of much more than it is currently demonstrating. A requirement that Delaware's Interconnection Standards be aligned with IREC's *Model Interconnection Procedures* would benefit the utility, even if Delmarva can't see that today.

This is exactly what happened in New Hampshire after legislation was passed there that directed its Department of Energy (NHDOE) to open a rulemaking to update its extremely outdated interconnection rules and to base that update on IREC's *Model Interconnection Procedures*. This legislation was specifically passed to address similar challenges to those being experienced by Delaware customers. Though the legislation explicitly directed the state's new interconnection rules to be aligned with the IREC model, the utilities wanted to work from a more familiar set of standards used in Massachusetts and convinced the DER industry to also advocate for the use of the Massachusetts interconnection tariff as a basis for the New Hampshire rule update. The DER industry agreed to depart from the IREC *Model Interconnection Procedures* due to a lack of direct involvement by NHDOE in the process and a desire to see progress, even incremental progress, amidst a process that placed industry in a challenging negotiating position. After months of negotiations and ongoing support from IREC, the utilities ultimately recognized that using IREC's *Model Interconnection Procedures 2023* as the basis for New Hampshire's new interconnection rules would serve to improve the interconnection process for both their company and their customers as well as significantly streamline rule development. As a result, the final rule proposed by the utilities and DER industry in New Hampshire is based on IREC's *Model Interconnection Procedures 2023*. It is expected to be adopted by NHDOE later this year.

Like the New Hampshire utilities, Delmarva can adapt its processes to align with IREC's *Model Interconnection Procedures* provided it is committed to doing so. Based on recent performance, there are real reasons to question whether Delmarva is indeed ready to be a partner is helping the state implement a functional community solar program that is aligned with the state's energy goals. Thus far, its ability to

interconnect these facilities in a timely manner has been abysmal and its response to concerns about the impacts of its performance have been lackluster.

One example is provided in the utility's response on September 2, 2025 to a critical question asked by the Hearing Examiner in PSC Docket #24-1012. Two months prior, the federal government enacted the One Big Beautiful Bill Act, which resulted in the cessation of federal tax credits for projects such as those being built under Delaware's community solar program. The PSC recognized that the ongoing delays experienced by Delmarva customers could be exacerbated by the accelerated deadlines for remaining federal incentives and asked Delmarva for details on actions it was taking "to ensure that all community solar projects currently in the interconnection queue are able to meet these requirements."

Delmarva's full response to this question, which is also attached to this testimony, was as follows:

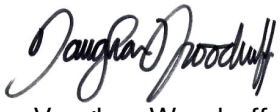
> Delmarva Power is mindful of the new statutory requirements affecting projects and is analyzing current application volumes, identifying trends, and adjusting resource allocations to improve progress through the interconnection queue. Outside of the interconnection review process itself, external factors such as permitting, siting, long material lead time, and construction processes can also impact project timelines.

Nearly half of this response deflects from Delmarva's role in federal tax credit eligibility for the projects it interconnects – or doesn't – by noting other contributing factors. The portion of Delmarva's answer that does respond to the hearing examiner's question provides insufficient detail to assess whether the utility actually understands its role in helping to ensure Delaware community solar projects can leverage remaining federal tax incentives. There is no discussion here about amending equipment procurement procedures or a need to increase staffing, two topics that Delmarva had commented on a month earlier in a Maryland PSC proceeding. Nor is their discussion of limited export agreements, which Delmarva is required to use in Maryland and that could help ensure projects meet placed-in-service deadlines while awaiting utility upgrades that may be completed after those deadlines. In its response, Delmarva provided no detail on a topic of critical importance and failed to instill trust that it is committed to being a partner with Delaware as it responds to federal actions that have tangible consequences on renewable energy development in the state.

It is the role of utility regulation to advance the public interest, especially when the utility's actions are not aligned with the public interest. Regulation serves the public interest when there exist effective and enforceable regulations. HB 269 would require Delaware to be proactive in its regulation of interconnection rather than waiting for predictable interconnection issues to arise. While this bill does not solve all of the issues experienced by Delaware interconnection today, it does create a sustaining regulatory framework that supports ongoing updates to the state's interconnection standards that are responsive to changes in markets and technology.

I hope that this committee and the legislature will recognize the importance of this bill in recalibrating Delaware's interconnection policy.

Sincerely,



Vaughan Woodruff, Principal